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Message Text

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PAGE 01 JIDDA 08381 220802Z

14
ACTION NEA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /090 W
---------- 122378
R 220450Z DEC 75
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 3172
INFO AMCONSUL DHAHRAN

C O N F I D E N T I A L JIDDA 8381

E.O. 11652: GDS
TAGS: ENRG, SA
SUBJECT: ASHLAND OIL; SAUDI DIRECT OIL SALE POLICY

REF: A. STATE 272138; B. STATE 284314; C. STATE 285420
D. JIDDA 8201

1. BECAUSE OF RELIGIOUS HOLIDAYS, AND ABSENCE FROM COUNTRY OF MAIN DECISON MAKERS, EMBASSY UNABLE TO GET DEFINITIVE ANSWER TO QUESTIONS RE ASHLAND AND SAUDI POLICY IN REFTELS.

2. ARAMCO NOT ABLE TO ENLIGHTEN THIS ASPECT AND REFERS TO PETROMIN.

3. WE NOTE IN "MIDDLE EAST ECONOMIC SURVEY", VOL. XIX ISSUED NOV. 28, 1975 AND RECEIVED HERE DEC. 19, THE FOLLOWING ARTICLE ON PAGE 4:

"SAUDI ARABIA TO RENEW EXISTING THIRD-PARTY SALES CONTRACTS
"MEES UNDERSTANDS THAT SAUDI ARABIA'S SUPREME PETROLEUM COUNCIL HAS TAKEN A TENTATIVE DECISION TO RENEW THE CRUDE OIL SALES CONTRACTS WHICH WERE CONCLUDED BY PETROMIN WITH A NUMBER OF INDEPENDENT FIRMS IN MAY 1973 AND WHICH ARE

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DUE TO EXPIRE AT THE END OF THIS YEAR. THIS DECISION

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WAS TAKEN AT A MEETING OF THE COUNCIL ON 26 NOVEMBER. THE DECISION WILL BE MADE OFFICIAL IN DUE COURSE, BUT CERTAIN FORMALITIES WILL HAVE TO BE COMPLETED BEFORE IT IS FINALIZED.

"THE CRUDE OIL SALES CONTRACTS CONCLUDED BY PETROMIN IN MAY 1973 (MEES, 25 MAY 1973) PROVIDED FOR TOTAL DELIVERIES OF SOME 71 MILLION BARRELS ANNUALLY (AROUND 195,000 B/D) FOR THE THREE YEARS 1973-75 TO 22 WIDELY DIVERSIFIED COMPANIES AND GROUPS, NAMELY:

-JAPAN IDEMITSU; MITSUBISHI OIL CO./MSK; MARUZEN/ NICHIMEN; KYOKUTO/MITSUI; KYODO/AOC; FUJI/AOC; C. ITOH/ TOA OIL; DAIKYO/MARUBENI-IIDA.

-US: SHAHEEN NATURAL RESOURCES; ASHLAND OIL; NEW ENGLAND PETROLEUM; TENNECO; COASTAL STATES.

-EUROPE: MVK (W. GERMANY); UNION RHEINISCHE (W. GERMANY); ICC INDUSTRIES (W. GERMANY); KARMEN HILL (W. GERMANY); PETRO-RICO.

-OTHERS: PETROBRAS (BRAZIL); INDIAN OIL CORP; EGPC (EGYPT); CPC (TAIWAN)."

4. WE WILL ATTEMPT TO ASCERTAIN "CERTAIN FORMALITIES" MENTIONED IN ABOVE ARTICLE AS WELL AS GENERAL POLICY. HORAN

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